

**DRAFT**

**26 September 1963**

**Mr. Rivers' Floor Statement on H. R. 8427**

I wish to speak in support of H. R. 8427, which is a bill to give the Central Intelligence Agency a better retirement system for only a limited number of its employees. At the present time, all regular employees of the Agency are covered by the normal Civil Service retirement system. While it is true that many positions in the Agency would not warrant special retirement treatment, nevertheless, about thirty per cent of the total employees work under conditions which clearly require an improved retirement and disability system. I would like to point out that this legislation establishes no precedent since it was determined that the Agency retirement system should be patterned after that applicable to the Foreign Service. Careful examination indicated that the Foreign Service system had sufficient flexibility and other improvements to meet Agency requirements. The Agency presented convincing proof that those employees to be covered served under conditions which are at least comparable with the Foreign Service and in many cases more dangerous and at great personal sacrifice to the employees.

As a member of the CIA Subcommittee of the House Armed Services Committee, I had previously learned a great deal about the activities of the Agency and the sacrifices called for on the part of its employees. During the course of four days' extensive hearings on H. R. 8427 before the House Armed Services Committee, Agency witnesses were candid and fully cooperative in presenting their need for this improved retirement system. For reasons of security I am unable to present the specific situations which demonstrate the need for this new system. It is pertinent to point out, however, that, with respect to this group of employees, all are considered to be on 24-hour duty, seven days a week, and are obligated in writing to serve anywhere in the world that Agency needs would require.

Upon my initial assignment to the CIA Subcommittee, it came as a surprise to me that all Agency employees received only the normal Civil Service retirement benefits. I had assumed there was a program to afford earlier retirement, such as that available to the Foreign Service or the benefits offered to agents of the Federal Bureau of Investigation, which enables the agent to retire voluntarily at age 50 upon completion of 20 years of service. The Agency's need to have a young and verile group of career people manning their overseas' posts

needs no elaboration. I became personally convinced of the need for this type of program as a result of months of briefings by the Agency on its various activities to the CIA Subcommittee of House Armed Services. The hearings on H. R. 8427 convinced me that this legislation is the appropriate means to put into effect an improved retirement system.

Now, as to the legislation, one of the key features is the right of the employee to apply for voluntary retirement upon reaching age 50 if he has a minimum of 20 years of service. Such retirement, however, must be with the consent of the Director, and in special cases where a man's services are still needed he will be required to serve until the Agency's requirements have been met. Another important feature of this bill is the authority of the Agency to retire people when it is determined that this is the best course of action. In this situation, where the employee is in a grade of GS-14 and above he will, upon being retired, receive an immediate annuity regardless of age. The amount of this annuity in the case of a man with 20 years of service would be forty per cent of the highest average annual salary for any five consecutive years. In Committee this provision was looked at most carefully and an amendment was added that in order to qualify for this immediate annuity the individual must have had at least five years of what is termed

"qualifying service," which means service of a nature which would fit him to be covered by the system. In addition, he must have had at least 10 years of total service with the Agency. The Committee did not believe that transferees from other agencies should be eligible to qualify for this type of annuity without substantial periods of both qualifying service and general service with CIA. Where the person involuntarily retired is in grade GS-13 or below he may elect, if he has at least five years of service with the Agency, to leave his contributions in the fund and draw a deferred annuity at age 60, or he may simply draw out his contributions. In addition he would be granted separation pay based on a month's salary for each year of service, but in no event to exceed a total of one year's salary. The Committee believes this provision is generally in line with separation compensation available in military service and is not unreasonable where a man has joined the Agency with the expectation of a career and because of shifts in requirements is unable to be retained by the Agency. This separation compensation will permit him a period of readjustment, possibly taking necessary training to equip himself for a position in industry or in another branch of Government.

I believe this new system will be an extremely valuable tool in the management of the Agency and will materially assist in attracting and retaining the extremely high caliber men and women the Agency needs

for its demanding programs. As indicated by the published hearings and the report, the Armed Services Committee has looked painstakingly at this proposal and has examined Agency witnesses most carefully. Where necessary, the Committee has made amendments, which you will find detailed in the report. I would like to state that, in my view, the publicly unchallenged press criticism of the Central Intelligence Agency is not the proper basis to form a judgment on this bill. In fact, I believe the Agency is doing a brilliant job under most trying circumstances, but this is not the issue. The Committee has unanimously supported this legislation, and I urge the members of the House to judge it on its merits. I am sure most of you will view it favorably.